

UNITED STATES DISTRICT COURT  
FOR THE WESTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

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UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No. 1:05-CV-739

CHARLES CONCES, individually  
and d/b/a CHAIRMAN of the  
NATIONAL LAWMAN COMMITTEE(S)  
FOR THE PUBLIC INTEREST, an  
unincorporated organization,

HON. GORDON J. QUIST

Defendant.

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**ORDER AND DEFAULT JUDGMENT**

In accordance with the Opinion entered this date,

**IT IS HEREBY ORDERED** that the United States' Motion For Discovery Sanctions (docket no. 56) is **GRANTED**, and judgment by default is entered against Defendant pursuant to Fed. R. Civ. P. 37(b)(2)(C).

**IT IS FURTHER ORDERED** that Defendant's motion titled "Judicial Notice To Court and Motion To Oppose The Government's Motions And The Proposed Default Judgment and Undisputed Facts and Declaration Of Charles F. Conces" (docket no. 63) is **DENIED**.

**IT IS FURTHER ORDERED** that the United States' Motion For Preliminary Injunction (docket no. 46) is **GRANTED**, except that such injunctive relief, as set forth below, shall be permanent injunctive relief. In accordance with Fed. R. Civ. P. 65(d), the Court finds that an injunction is appropriate because:

- (1) Defendant has violated, and continues to violate, 26 U.S.C. § 6700 by promoting and/or selling an abusive tax shelter based upon false or fraudulent

misrepresentations, and such statements pertain to a material matter in connection with the administration of the internal revenue laws;

- (2) Defendant has violated, and continues to violate, 26 U.S.C. § 6701, by, among other things, promoting and assisting in the filing of zero returns that result in the understatement of tax liability; and
- (3) An injunction is appropriate and necessary to prevent recurrence of such conduct.

**IT IS FURTHER ORDERED** as follows:

- (1) Pursuant to I.R.C. §§ 7402 and 7408, Defendant, Charles Conces, individually and doing business as Chairman of the National Lawman Committee(s) for the Public Interest, an unincorporated organization, is permanently enjoined and restrained from:
  - (a) Organizing, promoting, marketing, or selling any abusive tax shelter, plan or arrangement that advises or encourages others to attempt to violate the internal revenue laws or unlawfully evade the assessment or collection of their federal tax liabilities;
  - (b) Engaging in conduct subject to penalty under I.R.C. § 6700, *i.e.*, by making or furnishing, in connection with the organization or sale of an abusive shelter, plan, or arrangement, a statement that he knows or has reason to know to be false or fraudulent as to any material federal tax matter;
  - (c) Engaging in any conduct subject to penalty under I.R.C. § 6701, *i.e.*, by preparing or assisting others in the preparation of any tax forms or other documents to be used in connection with any material matter arising under the internal revenue laws and which Defendant knows or has reason to know will (if so used) result in the understatement of tax liability; and
  - (d) Engaging in any conduct that interferes with the administration and enforcement of the internal revenue laws, including but not limited to, assisting others in filing “zero income tax returns,” writing frivolous letters to the IRS and others, and filing frivolous lawsuits, all for the purpose of interfering with the administration of the internal revenue laws;

- (2) Pursuant to I.R.C. §§ 7402 and 7408, Defendant and anyone acting in concert with him are enjoined and restrained from, directly or indirectly, by use of any means or instrumentalities, preparing or assisting or advising in preparing federal tax returns or tax-related documents or letters for any person or entity other than themselves;
- (3) Within twenty-one (21) days of the date of this Order and Judgment, Defendant shall file with the Court and serve upon Plaintiff's counsel a complete list of all individuals and entities (including names, addresses, phone numbers, e-mail addresses, and social security numbers or employment identification numbers) for whom Defendant prepared or helped to prepare any tax-related documents, including claims for refund or tax returns since January 1, 1996;
- (4) Within twenty-one (21) days of the date of this Order and Judgment, Defendant shall, at his own expense and as a corrective measure, provide a copy of the Amended Complaint and this Order and Judgment to each of the individuals listed in paragraph (3) above. Within twenty-two (22) days of the date of this Order, Defendant shall file sworn certificates of compliance stating that he has complied with this portion of the Order and Judgment and shall attach a copy of all correspondence sent to such individuals.
- (5) Within twenty-one (21) days of the date of this Order and Judgment, Defendant shall post on the first pages of his websites, [www.cconces.tripod.com](http://www.cconces.tripod.com) and [www.lawmenamerica.com](http://www.lawmenamerica.com), or any other website that Defendant may maintain or establish to promote any abusive tax shelter or to post information in violation of 26

U.S.C. §§ 6700 and 6701, a complete copy of this Order and Judgment, in not less than twelve-point type.

- (6) The United States shall be permitted to engage in post-judgment discovery to monitor Defendant's compliance with this Order and Judgment and any other order entered by this Court.

The injunction set forth herein is binding upon Defendant and any incorporated or unincorporated entity through which Defendant may act as an employee, officer, director, agent, or representative and upon any person in active concert or participation with Defendant who receives actual notice of this Order and Judgment by personal service or otherwise.

Dated: April 24, 2006

/s/ Gordon J. Quist  
GORDON J. QUIST  
UNITED STATES DISTRICT JUDGE